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Chairman: Mr. Kmoníček ..... (Czech Republic)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Kuznetsov

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Agenda item 145: Financing of the United Nations peacekeeping forces in the Middle East

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Agenda item 146: Financing of the United Nations Mission in Sierra Leone

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The meeting was called to order at 10.10 a.m.

Organization of work (A/C.5/58/1/Add.2; A/C.5/58/L.67/Rev.1)

1. **The Chairman** drew the Committee's attention to a letter dated 8 April 2004 from the President of the General Assembly addressed to the Chairman of the Fifth Committee (A/C.5/58/1/Add.2) allocating agenda item 167 to the Fifth Committee. A list of the documents to be considered during the current part of the resumed session was contained in document A/C.5/58/L.67/Rev.1.

2. **Mr. Al-Ansari** (Qatar), speaking on behalf of the Group of 77 and China, said that the late issuance of documentation seriously impeded the Committee's work. The relevant provisions of the rules of procedure of the General Assembly and of Assembly resolution 57/283 B, in particular the need for strict compliance with the six-week rule must be observed. In its resolution 57/290 B, the Assembly had requested numerous reports on the financial and administrative aspects of peacekeeping operations and the Secretariat should explain why it had not produced those reports in time for the Advisory Committee on Administrative and Budgetary Questions (ACABQ) to consider them.

3. Lastly, the proposed programme of work should allocate more time to the consideration of issues relating to peacekeeping budgets, particularly those that traditionally required more time for their disposal.

4. **Ms. Stanley** (Ireland), speaking on behalf of the European Union, the associated country Bulgaria, the stabilization and association process countries (Albania, Bosnia and Herzegovina, Croatia, Serbia and Montenegro and the Former Yugoslav Republic of Macedonia), and, in addition, Iceland and Liechtenstein, said that the new user-friendly format and improved quality of the reports of ACABQ on individual peacekeeping missions would enable the Committee to streamline its work. She regretted, however, that a number of important reports on cross-cutting themes, including recruitment, training and information technology, would not be considered by the Committee at the current part of the resumed session.

5. The security and safety of the United Nations was another priority issue and the European Union looked forward to the reports of the Secretary-General and the Advisory Committee on the funds required to ensure that the necessary short-term measures were implemented pending the completion of a comprehensive report.

6. **The Chairman** said he took it that the Committee wished to approve its programme of work, on the understanding that adjustments would be made, where necessary, during the course of the session.

7. *It was so decided.*

Agenda item 118: Financial reports and audited financial statements, and reports of the Board of Auditors (A/58/5 (vol. II), A/58/737 and A/58/759)

8. **Mr. Bhana** (United Nations Board of Auditors), introducing the report of the Board of Auditors (A/58/5 (vol. II)), said that the Board continued to pay special attention to the concerns and requests of the General Assembly and the Advisory Committee. The report addressed the special requests made by the Advisory Committee (A/57/772) and covered, inter alia, air operations, contingent-owned equipment, inventory management, procurement practices and training. The Board had postponed action on the request contained in Assembly resolution 57/318 for it to review the implementation of the recommendations of the Special Committee on Peacekeeping Operations and the Panel on United Nations Peace Operations until it had had an opportunity to consider the report of the Office of Internal Oversight Services (OIOS) on the same subject. A dialogue with delegates on that report (A/58/746) during the informal consultations would be a useful preliminary step in the Board's deliberations.

9. Under a new format, the Board's comments on the status of implementation of its previous recommendations had been included in the main body of the report, which also provided a summary table (annex II) that was cross-referenced to the text of the report. The administration continued to make progress in implementing the Board's recommendations, although 59 per cent of those recommendations were still under implementation, compared with 62 per cent the previous year. The Advisory Committee had also noted the increasing rate of compliance but had requested the Board to continue to monitor the quality of implementation, on the understanding that management should be required to assign responsibility for repeated non-compliance with recommendations of the Board that were endorsed by the General Assembly.

The Board would consider doing so in future recommendations.

10. Chapter III of the report contained an audit opinion on the financial statements of peacekeeping operations for the year ended 30 June 2003. The overall financial position of the United Nations peacekeeping operations had remained fairly stable, with total income of $2.7 billion and total expenditure of $2.5 billion. However, assessed contributions to the value of $593.7 million had been outstanding for more than one year as at 30 June 2003 and the Board had again noted a cash shortfall of approximately $92.9 million to settle the outstanding liabilities of closed missions. The process of property write-offs continued to be protracted and property pending write-off and disposal at 30 June 2003 amounted to $43.1 million.

11. The Board had paid particular attention to the management and control of the recently established strategic deployment stocks. Expenditures of $88.9 million had been incurred as at 30 June 2003 out of a total approved level of $141.5 million. Full capability to support rapid deployment of a complex mission by the initial deadline of 1 July 2003 had not therefore been achieved, resulting in the extension of the deadline to 30 June 2004. Strategic deployment stocks had been transferred to non-peacekeeping missions and agencies, but at the time of the audit there had been no written agreements to enable the Administration to formally hold those entities liable for the repayment of agreed costs at agreed times.

12. With regard to air operations, the Board had coordinated its work with the Internal Audit Division of OIOS. The internal auditors had focused on air safety and the Board on air assets. There had been a substantial reduction in the cost of air operations, with $59.1 million or 22 per cent of appropriated funds for selected missions remaining unspent at year end. Actual flight hours of 45,501 were lower than the budgeted hours of 89,684, which was mainly due to overbudgeting for mission requirements. Furthermore, peacekeeping missions did not always submit performance evaluation reports for air vendors to Headquarters on a regular basis and some missions did not consistently complete performance reports before contracts were extended or renewed.

13. Procurement lead times at Headquarters and in missions were often excessive at different stages of the procurement cycle. In the area of human resources, staff members at many missions were sometimes appointed at lower levels to perform functions in posts initially advertised at higher levels, which carried a risk of inappropriate levels of performance or of the post level being inadequately assessed. Training, including in the areas of aviation and procurement, could be improved, particularly with respect to evaluation of the effectiveness of training actions.

14. The Board recommended that the Administration should remedy factors causing delays in the write-off and disposal process; address factors hampering the acquisition and replenishment of the strategic deployment stocks; establish written agreements for shipments from strategic development stocks; narrow the gap between budget and actual performance in respect of air operations; identify and evaluate the reasons for excessive procurement lead times; compile performance reports before extending or renewing contracts; ensure that staff occupying posts were at the level required by the posts or re-evaluate the level of posts; adequately train staff; and evaluate the impact of training actions. The Board also noted and welcomed the comments of the Advisory Committee, whose report (A/58/759) would make a significant contribution to the planning of the next audit of peacekeeping operations.

15. **Ms. Mabutas** (Director of the Office of the Under-Secretary-General for Management), introducing the report of the Secretary-General on the implementation of the recommendations of the Board of Auditors concerning United Nations peacekeeping operations for the financial period ending 30 June 2003 (A/58/737), said that the task of the Secretary-General in preparing the report and providing the Committee with relevant updated information had been facilitated by the clarity of the Board's recommendations and the systematic monitoring of their implementation. Owing to the increase in communication between the Board and the Administration, the report addressed only those recommendations whose implementation status required further clarification. Where the Board's recommendations had not been implemented, the Administration continued to take all necessary action to ensure implementation within the existing legislative framework and to the extent to which resources were available.

16. The Secretary-General continued to make every effort to ensure the timely and comprehensive implementation of the Board's recommendations with a

view to improving the overall efficiency of peacekeeping operations and ensuring optimum budget implementation. Significant interdepartmental efforts had been made to address issues relating to the continued monitoring of the redeployment of resources, procurement planning and management and new ethical guidelines had been drafted in the area of procurement. Current methods of replenishing strategic deployment stocks had been re-examined and steps had been taken to ensure compliance with improved guidelines on assets disposal and write-off. The Department of Peacekeeping Operations was largely responsible for ensuring the timely implementation of the Board's recommendations and representatives of the Department would be present during the Committee's consideration of the agenda item to provide any necessary clarification. The Administration thanked the Board for the spirit of cooperation and teamwork with which it continued to discharge its oversight function.

17. **Mr. Kuznetsov** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) welcomed the improved quality and presentation of the Board's report and its increased emphasis on management audit, which helped determine whether the resources of the audited administrations were being used efficiently and effectively. The Board had conducted management audits of air operations, contingent-owned equipment, inventory management, procurement practices and training and its comments and recommendations had been included in the main body of its report, as the Advisory Committee had suggested. The Administration's replies to the Board's observations were also included in the main body of the report. Notwithstanding the increasing compliance with its recommendations, the Board should continue to monitor the quality of implementation of its recommendations, on the understanding that management would be required to assign responsibility for repeated non-compliance with those recommendations of the Board that had been endorsed by the General Assembly.

18. The Advisory Committee had been briefed on the Board's external auditing standards and guidelines and on the coordination it undertook, mainly during planning, with other oversight bodies, including OIOS, the internal audit services of the United Nations funds and programmes, and the Joint Inspection Unit in order to avoid duplication of effort. It welcomed coordination and collaboration among oversight bodies in planning audit activities, an issue of long-standing interest to the General Assembly, and trusted that such coordination and collaboration would continue in order to ensure optimal use of audit resources, better complementarity of effort and wider and deeper coverage of audit areas.

19. During its examination of the budgets of individual missions, the Advisory Committee had benefited greatly from the Board's findings and recommendations. It continued to focus on issues examined by the Board relating to budget preparation and the monitoring and control of budget implementation, keeping in mind its previous recommendations that had been approved by the General Assembly. The Advisory Committee had also reviewed the adequacy of explanations of budget performance changes and proposed budget estimates.

20. The Advisory Committee continued to collaborate closely with the Board of Auditors, which had conducted horizontal audits in areas on which the Committee had consistently focused its attention, such as training and air operations. In future audit reports, the Board might wish to continue to place increased emphasis on management audit, particularly of cross-cutting issues, in order to determine whether the resources of the audited administrations were being used adequately.

21. In keeping with its recent practice, the Advisory Committee had combined its observations and recommendations on the report of the Board of Auditors with its general report on peacekeeping operations so as to facilitate a comprehensive discussion of the main issues facing peacekeeping operations. In part I of its report, the Advisory Committee commented on general issues arising solely out of the report of the Board of Auditors. In part II, it addressed matters arising out of the reports of the Secretary-General on individual peacekeeping operations, including, where relevant, reference to the recommendations or observations of the Board of Auditors.

Agenda item 134: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (A/58/7, A/58/702, A/58/703 and Add.1, A/58/705, A/58/706, A/58/707, A/58/715, A/58/724, A/58/732, A/58/759 and Add.9 and A/58/760 and A/57/765)

22. **Mr. Halbwachs** (Controller) introduced in a single statement the reports of the Secretary-General on the overview of the financing of the United Nations peacekeeping operations: budget performance for the

period from 1 July 2002 to 30 June 2003 and budget for the period from 1 July 2004 to 30 June 2005 (A/58/705), the performance report on the budget for the support account for peacekeeping operations for the period from 1 July 2002 to 30 June 2003 (A/58/703 and Add.1), the budget for the support account for peacekeeping operations for the period from 1 July 2004 to 30 June 2005 (A/58/715), the performance report on the budget of the United Nations Logistics Base at Brindisi for the period from 1 July 2002 to 30 June 2003 (A/58/702), the budget for the United Nations Logistics Base at Brindisi for the period from 1 July 2004 to 30 June 2005 (A/58/706), the status of the implementation of the strategic deployment stocks (A/58/707), progress in the implementation of the field assets control system (A/57/765) and the Peacekeeping Reserve Fund (A/58/724).

23. In response to the Assembly's requests, the Secretariat had prepared 43 reports on peacekeeping-related issues, 12 performance reports for individual peacekeeping missions for the period from July 2002 to June 2003, 11 reports on proposed budgets for the period 2004-2005, one report on the disposition of assets from the United Nations Mission in Bosnia and Herzegovina (UNMIBH), two notes on the financing of the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC) and the United Nations Mission in Liberia (UNMIL), one note updating the proposed budgetary requirements for peacekeeping from the support account, as well as performance reports and proposed budgets for the support account and the United Nations Logistics Base at Brindisi. Seven reports would be issued late and would therefore not be considered at the current session. Additional reports on the financing of the United Nations Operation in Côte d'Ivoire (UNOCI), the interim financing of the new mission in Haiti and the potential mission in Burundi and revised requirements for the United Nations Mission of Support in East Timor (UNMISET) would be submitted in due course, pending the relevant decisions of the Security Council.

24. The report of the Secretary-General on the overview of the financing of the United Nations peacekeeping operations (A/58/705) provided consolidated information on the performance of the peacekeeping budgets and the budget proposals. In response to the Advisory Committee's recommendations and observations, it also addressed cross-cutting issues relating to the operational aspects of peacekeeping.

25. For the period from 1 July 2002 to 30 June 2003, total expenditure had amounted to $2.39 billion, against a total approved budget of $2.6 billion, resulting in an overall budget implementation rate of 92 per cent. Table 3 set out the financial resource performance for individual peacekeeping missions for the period 2002/03, while table 4 detailed the main factors affecting budget performance. In the absence of a baseline of expected results, the performance information was presented in a transitional format. The next year's report would plot actual outputs against the baseline indicators contained in the budget. However, the proposed budget for 2004/05 contained more measurable results-based-budgeting elements than in previous years. Attempts had also been made to improve the linkages between results-based-budgeting frameworks and the resource requirements themselves. Table 6 listed the planned indicators of achievement for 2004/05.

26. With regard to specific resource requirements, for the period 2003-2004, the General Assembly had initially approved a peacekeeping budget of $2.2 billion, but in the light of unforeseen events, had revised that amount upwards to $2.8 billion. For the period 2004/05, the Secretariat was proposing a budget of $2.649 billion, which reflected the downsizing of the United Nations Mission in Sierra Leone (UNAMSIL), the United Nations Interim Administration Mission in Kosovo (UNMIK) and UNMISET offset by the full deployment of the authorized troop level to MONUC and the full establishment of the new mission in Liberia. However, that proposal was not a true reflection of the situation, as it did not take into account the estimated resource requirements for UNOCI or the revised estimates for UNMISET and UNAMSIL. The new mission in Haiti would also require additional financial resources and, depending on the outcome of ongoing discussions in the Security Council, new operations might be established in Burundi and Sudan. Taking all those developments into account, the revised budget for peacekeeping operations could amount to over $4 billion, its highest level in 10 years.

27. Turning to the performance report on the budget for the support account for peacekeeping operations for the period from 1 July 2002 to 30 June 2003 (A/58/703 and Add.1), he said that expenditures had amounted to

$97.1 million against approved resources of $100.9 million, resulting in an unencumbered balance of $3.8 million and an implementation rate of 96.3 per cent. The unencumbered balance was attributable mainly to higher vacancy rates than those budgeted for. For the first time, the report showed actual indicators of achievement and actual outputs, which were compared with the baselines established in the 2002/03 budget.

28. The budget for the support account for peacekeeping operations for the period from 1 July 2004 to 30 June 2005 (A/58/715) amounted to $122.1 million and provided for 762 posts. The establishment of 19 new posts was requested: one in the Office of the United Nations Ombudsman, 7 in OIOS and 11 in the Department of Management.

29. Since the preparation of the budget in late 2003 and early 2004, there had been an upsurge in peacekeeping activities. A number of new missions had been established, including some complex ones, and several more could be deployed in the next three to six months. The number of military personnel was expected to increase from 49,000 to approximately 78,000 and the number of civilian personnel from 11,200 to about 17,000. The Administration intended to suspend temporarily certain low priority tasks and reassign the staff performing them. However, in order to provide key enabling functions for new and potential missions and to continue to support existing ones, it would be necessary to augment current staffing levels, at least temporarily. Given the degree of urgency, the Administration intended to meet its needs not by requesting additional resources, but by utilizing temporary vacancies in existing missions. Long-term requirements would be presented in the next support account budget.

30. With regard to the performance report on the budget of the United Nations Logistics Base at Brindisi for the period from 1 July 2002 to 30 June 2003 (A/58/702), expenditures had amounted to $14.4 million against a budget of $14.3 million. The slight overexpenditure was due mainly to the appreciation of the euro vis-à-vis the United States dollar during the financial period.

31. The budget for the United Nations Logistics Base at Brindisi for the period from 1 July 2004 to 30 June 2005 (A/58/706) amounted to $28.8 million, representing an increase of $6.6 million or 29.7 per cent compared with the current budget. That was mainly attributable to increased staff costs, again owing to the appreciation of the euro, and increased operational costs due to the need to replace existing prefabricated structures with new ones.

32. Concerning the report of the Secretary-General on the status of implementation of the strategic deployment stocks (A/58/707), substantial progress had been made in the creation of the strategic deployment stocks. As at 31 December 2003, strategic deployment stocks had facilitated the rapid deployment and operational readiness of UNMIL, UNOCI and the Office of the Special Representative of the Secretary-General in Iraq. A summary of the status of procurement actions related to the strategic deployment stocks was contained in table 1. As at 30 June 2003, of the total budget of $141.5 million, expenditures had amounted to $88.9 million. The General Assembly had extended the validity of the approved resources to 30 June 2004. Accordingly, the balance of $52.6 million had been carried forward to the 2003/04 financial period. A comprehensive report would be submitted to the Assembly at its fifty-ninth session examining the lessons learned in implementing the strategic deployment stocks and recommending further measures to enhance the capacity for rapid deployment of peacekeeping missions.

33. With regard to the report of the Secretary-General on the Peacekeeping Reserve Fund (A/58/724), as at 31 March 2004, the Fund balance had stood at $150.3 million. That amount took into account loans paid to the United Nations Mission in the Central African Republic, which had yet to be repaid because no assessments for the Mission had been received. The Fund had been used to meet the immediate start-up requirements of UNOCI and was currently being utilized for the pre-mandate requirements of the planned mission in Burundi. The requirements of the potential United Nations mission in Haiti were being formulated.

34. While the General Assembly was expected to approve the budget for UNOCI at its current session, the Fund would continue to be used to meet its requirements until sufficient assessments were collected. As the Committee was aware, there was generally a considerable delay between the dispatch of letters of assessment and the receipt of payments. If the Security Council decided to extend the mandate of UNMISET and to approve the establishment of a United Nations presence in Burundi, the

Administration would request temporary financing with assessments until detailed budgets could be submitted to the General Assembly.

35. The Secretary-General recommended, in paragraph 8 of the report, that the level of the Fund should be maintained at $150 million and that the balance in excess of the authorized level, namely $11 million, should be applied to meet the financing of the support account for the period from 1 July 2004 to 30 June 2005. He recalled that the Assembly had endorsed such an arrangement in 2003.

36. The Administration had proposed the conversion of staff in several peacekeeping missions from the 300 series of the Staff Rules to the 100 series. However, the Advisory Committee had expressed the opinion that, in the light of the policy issues raised, the proposal should be presented by the Secretary-General in a comprehensive manner in the context of his report on human resources management policies to be submitted to the General Assembly at its fifty-ninth session. It had recommended that action on conversion should be deferred pending the Assembly's consideration of the report (A/58/759, para. 39). The Administration would comply with that recommendation, but it would need guidance with respect to the cases of staff who reached the four-year ceiling on contracts under the 300 series before 31 December 2004. It would review the costs of conversion, since the figures provided in the relevant budgets appeared to be inaccurate.

37. There had been progress in the financing of the United Nations peacekeeping operations over the past year. For example, the budget for UNMIL had been prepared in record time. The lessons learned would help the Administration to streamline the budget preparation process for all peacekeeping missions. It was striving to improve forecasting of initial requirements of new missions, which was crucial given the upsurge in peacekeeping activities.

38. **Mr. Kuznetsov** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related reports of ACABQ (A/58/7 (paras. II.36 and II.37), A/58/732, A/58/759 and Add.9 and A/58/760), said that he would focus in his statement on the cross-cutting issues dealt with in the Advisory Committee's general report, which was contained in document A/58/759. There had been considerable improvement in the timeliness of the presentation of reports on peacekeeping operations for consideration by the Advisory Committee at its winter session. The establishment of new missions would lead to an increase in the Advisory Committee's already heavy workload at the winter session, making it essential to limit future winter sessions to the consideration of peacekeeping-related issues, as had been intended by the General Assembly when it adopted resolution 49/233.

39. The Advisory Committee had made its reports on individual peacekeeping operations shorter and more focused so as to increase their reader-friendliness and facilitate decision-making. It would consider possible further improvements in the format of its reports to the Fifth Committee.

40. The budget proposals for 2004/05 contained more measurable indicators of achievement than those for the previous period. In addition, more outputs were quantifiable and/or measurable in the context of the results-based budgeting frameworks, and attempts had been made to link resources to outputs and indicators of achievement and to attribute the human resources for each mission to the individual components. While those achievements were commendable, further improvements were necessary, including the identification of precise time frames for implementation. Most important, it was crucial to develop financial systems to link to a comprehensive programme information system to ensure that requests for resources were directly attributed to outputs and accomplishments. Without such systems, Member States would be forced to continue with an object-of-expenditure consideration of budgets.

41. The implementation rate of most budgets had further improved in 2002/03, reflecting more realistic budgeting. As a result, in a number of missions, the Advisory Committee's observations and recommendations were aimed at achieving improved management and more efficient resource utilization rather than a significant reduction in the overall level of resources. Strict monitoring of budget implementation should maintain the trend towards improved budget performance while allowing the flexibility necessary to respond to unforeseen developments.

42. With regard to civilian personnel, there had been no reliable analysis of the financial impact of the proposed conversion of staff from the 300 series of the Staff Rules to the 100 series, although thousands of

staff members would be covered. The Advisory Committee had been informed that some $10 million had been included in the budgets of three missions for the conversion of international staff. However, it had serious doubts about the accuracy of those figures. It was of the view that such a basic change in the application of the 300 series should be reported to the Fifth Committee for possible comment or further direction in accordance with article XII of the Staff Regulations. In its general report, it recommended that the matter should be considered by the General Assembly in the context of the Secretary-General's report on human resources management policies. In the meantime, conversions should be deferred and the four-year ceiling on contracts under the 300 series suspended.

43. The Advisory Committee had also considered proposals for the conversion of some individual contracts on special service agreements into fixed-term contracts under the 100 series for national staff in such areas as engineering, communications, general service, transport, finance and personnel based on the continuous nature of those functions. Its observations on the subject were contained in paragraphs 43 to 46 of its general report (A/58/759). The long-standing problem of staffing at lower-than-approved grades was examined in paragraph 32. The Advisory Committee recommended that such inconsistencies should be remedied through grade reviews and reclassification exercises.

44. Concerning military personnel, the Advisory Committee had noted that, in budgeting for rotation and emplacement, the Secretariat, in accordance with established policy, assumed rotation of contingents every six months. However, in practice, a large number of contingents rotated after periods longer than six months. The Advisory Committee therefore requested the Secretariat to look into the feasibility of extending the time between rotations whenever possible, without prejudice to the national legislation of troop-contributing countries. That could lead to substantial savings for the United Nations.

45. The total requirement for rations had reached about $88.6 million in the period 2003/04. In paragraph 69 of its general report (A/58/759), the Advisory Committee stressed that the primary consideration should be the timely delivery of fresh, high-quality food to contingents. In that connection, proper attention should be paid to the inspection of rations and to distribution and delivery management, taking into account the best interests of the Organization.

46. The Advisory Committee remained concerned about the living accommodation of troops. In accordance with established policy, the United Nations should provide hard-wall accommodation within six months of the deployment of troops in the theatre of operation. Regrettably, that policy was not being followed in all cases. The Advisory Committee understood that in some missions, owing to the operational environment, it was impractical to provide all contingents with hard-wall accommodation at all times. However, financial considerations should not be the predominant factor in such decisions, and troops should be provided with hard-wall accommodation, except when requirements for mobility of units and the operational environment genuinely dictated otherwise.

47. Turning to operational costs, he noted that air transportation accounted for 12.8 per cent of all peacekeeping expenditures. The Advisory Committee acknowledged the progress made by the Department of Peacekeeping Operations in the management of air operations and the steps taken to reconfigure air assets in the light of changing operational needs and the mission environment. However, it endorsed the recommendation of the Board of Auditors that the Department should continue its efforts to improve the formulation of the air operations budget to make it more reflective of actual operations. The impact of the changes introduced in air operations regulations was discussed in paragraphs 61 and 62 of the general report (A/58/759).

48. Total resources proposed for training of civilian staff in peacekeeping for the period 2004/05 amounted to $5.8 million, compared with $8.9 million for 2003/04, or 34.8 per cent less. The Advisory Committee noted that the training estimates provided in the individual peacekeeping budgets for 2004/05 were not clearly stated, since the costs of training-related travel and training supplies and equipment were subsumed under various miscellaneous budget lines. In that connection, it reiterated that all resources requested for training should be clearly and comprehensively treated. In addition, it stressed the need to evaluate the effectiveness of training programmes in order to assess whether they met individual and organizational goals. The reassignment of trained personnel should be monitored so as to avoid the need for additional training.

49. The performance reports for 2002/03 showed persistent overexpenditure for travel. While estimates for official travel for 2004/05 had been reduced in some missions, the presentation of those requests continued to lack precision and clarity.

50. The Advisory Committee was concerned about the transfer to the United Nations Logistics Base at Brindisi of used vehicles that might no longer be operational or useful in other missions and the possibility that excessive maintenance costs might be incurred in respect of those vehicles. For example, vehicles that had been driven over 100,000 miles had been transferred from UNMIBH to two missions in Africa. The Secretariat should analyse whether it was cost-effective to transfer vehicles with high mileage to other missions, taking into account the cost of freight.

51. In the coming months, a number of new missions would be established while some existing ones would be expanded. All were complex missions involving substantial military and civilian components. The Secretariat required rapid deployment capability to ensure the successful start-up of those missions. The Advisory Committee had observed some positive developments in that regard, including the establishment of a Steering Group on Strategic Deployment Stocks to deal with such matters as operational readiness, replenishment and stock rotation and to evaluate the concept of strategic deployment stocks. While strategic deployment stocks could not meet the requirements of all the new and potential missions, efficient and effective management of strategic deployment stocks would be vital to ensure that they provided maximum assistance in that regard. Other positive developments included the rapid deployment roster established by the Department of Peacekeeping Operations to provide teams of experienced staff to undertake critical tasks in the start-up phase of missions. The rapid deployment exercises held at the United Nations Logistics Base at Brindisi in January 2003 had resulted in further refinement of the integrated mission planning process. In addition, standard operating procedures for rapid deployment were being developed and were included in the 2004 work plan for the Department of Peacekeeping Operations. The Advisory Committee was encouraged by those efforts and would continue to monitor them.

52. The Advisory Committee also welcomed the development of regional logistical hubs where feasible and cost-efficient. Those hubs were not intended to replace the Logistics Base as the primary maintenance base but to strengthen further the logistical support infrastructure for peacekeeping activities. For example, extensive support in terms of equipment, services and specialist personnel had been drawn from UNAMSIL during the establishment of UNMIL.

53. It was important to start planning now so as to develop the capacity to respond quickly and efficiently to a possible dramatic upsurge in peacekeeping activities. The General Assembly might wish to give further policy guidance, particularly concerning arrangements for the rapid deployment of both military and civilian personnel and the enhancement of procurement and logistic facilities both at Brindisi and regionally. The Advisory Committee would follow the matter closely and monitor the implementation of General Assembly policies in that regard.

54. He also wished to highlight some issues dealt with in other reports of ACABQ. Concerning the budget for the support account for peacekeeping operations for the period from 1 July 2004 to 30 June 2005 (A/58/715), the Advisory Committee observed in its related report (A/58/760) that the Secretariat had implemented the General Assembly's request relating to the rejustification of certain support account posts in such a manner as to render the exercise virtually meaningless and that the matter needed to be rethought. There was a continuing trend towards increased travel costs. However, as delegation of authority to the field increased and a large amount of resources were invested in communications and information technology, demand for travel should decrease. Concerning the use of consultants, the Advisory Committee was of the opinion, taking into account the expertise available in-house, that other modalities should be explored before resorting to expenditures in that area. Moreover, whenever possible, there should be a transfer of skills as a result of those services, especially given the large investment of resources involved. In formulating its recommendations on posts, the Advisory Committee had been mindful of the possible establishment of new large peacekeeping operations. It trusted that the Secretariat would take that into account before requesting additional support account resources in respect of new missions.

55. The Advisory Committee's recommendations concerning the budget estimates for UNAMSIL took account of the recent Security Council decision to adjust the timetable for the drawdown of the Mission in

2004, and it should have sufficient capacity to absorb any related additional requirements. If necessary, revised estimates should be submitted to the General Assembly at the main part of its fifty-ninth session. The recommendations had also been affected by the Advisory Committee's position on the conversion of staff from the 300 series of the Staff Rules to the 100 series. The Advisory Committee welcomed the use of the Mission as a regional logistical hub and looked forward to the utilization of such facilities elsewhere, when feasible.

56. There had been a significant improvement in the formulation of the budget estimates for MONUC, for which a results-based budgeting framework had been used. The Advisory Committee understood that the Mission's activities would be significantly affected by developments in the electoral process, and it had generally been supportive of requests for additional resources in that area, deployment of which should be tied to the pace of electoral activities. Given the complexity of the Mission, the Advisory Committee had reiterated its request for a comprehensive review to be undertaken of its organizational structure.

57. The budget estimates for the United Nations Mission in Ethiopia and Eritrea (UNMEE) included resources for the conversion of staff from the 300 series of the Staff Rules to the 100 series. UNMEE was also one of several missions where staff had been recruited at grades lower than those approved in the authorized staffing table. The Advisory Committee's views on the aforementioned matters were contained in its general report (A/58/759). Following a security review in the Mission area, a plan had been formulated for the relocation of the Asmara headquarters. The Advisory Committee recommended approval of an additional appropriation for that purpose. It had also requested the officials responsible to analyse the feasibility of moving the Addis Ababa headquarters back to the compound of the Economic Commission for Africa.

58. United Nations peacekeeping operations had first mushroomed in the 1990s. With the adoption of General Assembly resolution 49/233 and subsequent reforms, budgeting had become more realistic and operational procedures more standardized. However, those accomplishments had not obviated the need for continued vigilance in the management of peacekeeping operations. The Advisory Committee intended to pursue vigorously the goal of maximum efficiency and economy in peacekeeping operations, as called for on numerous occasions by the General Assembly.

59. **Ms. Ferguson** (Canada), speaking also on behalf of Australia and New Zealand, said that significant improvements had been made to the management of the overall peacekeeping programme and the considerable resources provided to it. However, there was a very real possibility that several new operations would be launched in the forthcoming year, which would put tremendous strain on the Organization. In order to meet that challenge, the Organization must be creative and efficient in administering and supporting its peacekeeping operations. The key to success lay in ensuring that all operations were provided with adequate resources. Should the expected increase in peacekeeping activities materialize, the peacekeeping budget could increase to $4.5 billion or more. All Member States must therefore pay their assessed contributions on time, in full and without conditions. There was also need for prompt reimbursement of troop-contributing countries and the settlement of outstanding claims.

60. The full amount of outstanding special assessed contributions must be recovered in order to adequately fund the strategic deployment stocks programme, which had become more important than ever. If the United Nations was to meet the demands of the year ahead, the strategic deployment stocks must reach full capacity. The delegations on whose behalf she spoke fully agreed with the relevant recommendation of the Board of Auditors and welcomed the establishment of the strategic deployment stocks Steering Group.

61. The increasing use of results-based budgeting represented a real advancement in ongoing efforts to develop transparency and accountability in the budgeting process and the Secretariat should continue to seek further ways of strengthening the budgeting and reporting structure. It should also pursue opportunities for optimizing the provision and management of support resources and service delivery between UNMIL, UNAMSIL and UNOCI. Similar efficiencies should be sought in other instances where the United Nations operated in different locations within the same region.

62. **Ms. Skaare** (Norway) reiterated Norway's commitment to the maintenance of international peace and security, a core task of the United Nations, and

urged Member States to live up to their collective responsibility to ensure the adequate financing of peacekeeping operations. The United Nations must be given the means to maintain and even strengthen its capacity to plan and execute new and increasingly complex operations.

63. She welcomed the performance reports of the Secretary-General on the budget for the support account for peacekeeping operations (A/58/703 and Add.1). However, while the advantages of results-based budgeting were easy to see in the new format, more work could be done on the baseline and indicators of achievement. She also welcomed the improvements in the format of the budget for the support account for peacekeeping operations for the period from 1 July 2004 to 30 June 2005 (A/58/715) and endorsed the proposed increase. In recent years, considerable improvements had been made in the overall management of increasingly multifunctional operations and the current budget proposals would reinforce that trend.

64. Adequate resources at Headquarters were vital to ensuring the proper planning and implementation of peacekeeping operations. Increased cooperation with regional organizations and arrangements was an important means of making the most of limited financial resources. In that connection, the United Nations Standby Arrangements System (UNSAS) and the strategic deployment stocks were useful tools for helping to ensure rapid deployment. Her delegation was therefore concerned about the recent depletion of the strategic deployment stocks and strategies should be developed for their replenishment.

65. The need for new measures to strengthen the safety and security of United Nations personnel, a matter of high priority, would have budgetary implications. When addressing the issue of air operations, for example, account should be taken not only of flight hours and fuel prices but also of air safety, which should always be given the highest priority.

66. In 2003, to Norway's disappointment, the Committee had rejected a proposal to establish an advisory position in the Secretariat for a trauma expert. The traumatic experience of the terror attack in Baghdad had been a terrible reminder of the need for such expertise.

67. While she appreciated the work being done by the gender adviser in the Department of Peacekeeping Operations, more needed to be done to develop a baseline and indicators for an overall, coherent policy of gender mainstreaming in all United Nations peacekeeping activities. The next report should contain a full set of indicators of achievement for the whole process, from the initial planning stages to post-conflict reconstruction. The Department should also increase its planning capacity and cooperate closely in that area with other United Nations departments, funds and programmes.

Agenda item 136: Financing of the United Nations Mission in Bosnia and Herzegovina (A/58/632, A/58/720 and A/58/759/Add.11)

Agenda item 137: Financing of the United Nations Peacekeeping Force in Cyprus (A/58/631, A/58/644 and Corr.1 and A/58/759/Add.4)

Agenda item 138: Financing of the United Nations Organization Mission in the Democratic Republic of the Congo (A/58/684, A/58/701 and A/58/759/Add.10)

Agenda item 141: Financing of the United Nations Mission in Ethiopia and Eritrea (A/58/633, A/58/658 and A/58/759/Add.8)

Agenda item 142: Financing of the United Nations Observer Mission in Georgia (A/58/639, A/58/640 and A/58/759/Add.1)

Agenda item 143: Financing of the activities arising from Security Council resolution 687 (1991)

(a) United Nations Iraq-Kuwait Observation Mission (A/58/630 and A/58/759/Add.12)

Agenda item 144: Financing of the United Nations Interim Administration Mission in Kosovo (A/58/592, A/58/634, A/58/638 and A/58/759/Add.5)

Agenda item 145: Financing of the United Nations peacekeeping forces in the Middle East

(a) United Nations Disengagement Observer Force (A/58/641, A/58/642 and A/58/759/Add.7)

(b) United Nations Interim Force in Lebanon (A/58/637, A/58/659 and A/58/759/Add.6)

Agenda item 146: Financing of the United Nations Mission in Sierra Leone (A/58/660, A/58/661 and A/58/759/Add.3)

Agenda item 147: Financing of the United Nations Mission for the Referendum in Western Sahara (A/58/642 and Corr.1, A/58/657 and A/58/759/Add.2)

68. **Mr. Halbwachs** (Controller), introducing in a single statement the reports of the Secretary-General on specific United Nations peacekeeping operations, said that UNMIBH had expenditures of $70.3 million against an allocation of $78.5 million, for an implementation rate of 90 per cent (A/58/632). The unutilized balance was attributable primarily to the repatriation of military observers serving in the United Nations Mission of Observers in Prevlaka (UNMOP), whose mandate had expired in December 2002, the non-replacement of civilian police due for repatriation after July 2002 and the accelerated repatriation of civilian police following the successful elections of 5 October 2002. Costs had also been reduced by the transfer of Mission assets directly to other peacekeeping missions. Final disposition of the Mission's assets (A/58/720) had been undertaken in accordance with United Nations Financial Regulation 5.14. The Committee should take note of the report.

69. Expenditures for the United Nations Peacekeeping Force in Cyprus (UNFICYP) had been $43.644 million against an apportionment of $43.652 million (A/58/631). The proposed budget for the Force for the period from 1 July 2004 to 30 June 2005 (A/58/644) amounted to $47.4 million, an increase of $3.6 million or 8.3 per cent. The increase could be explained by the increase in the number of civilian police, from 35 to 69, the creation of four new international and five new national posts, the upgrading of the post of Chief Administrative Officer from P-5 to D-1 and increased costs for utilities and maintenance.

70. Expenditures for MONUC amounted to $479.9 million against an apportionment of $581.9 million, for an implementation rate of 83 per cent (A/58/684). The variance was attributable to the reduction in the authorized strength and slower deployment of military observers and delays in deployment of the military contingent, international staff and commercially contracted aircraft. The Mission's proposed budget for 1 July 2004 to 30 June 2005 (A/58/701) amounted to $641 million, an increase of $77.3 million or 12 per cent for full deployment of 10,800 military personnel and 182 civilian police, a total increase of 161 national and international staff and the operations of the fleet of 51 aircraft.

71. Expenditures for UNMEE had totalled $209.6 million against an appropriation of $220.8 million, for an implementation rate of 95 per cent (A/58/633). The lower expenditure could be attributed to lower rotation costs for military personnel, recruitment of staff at lower grade levels, discontinued use of one aircraft and reduced utilization of air ambulance services for casualty and medical evacuations. The proposed budget for the Mission for the period 1 July 2004 to 30 June 2005 (A/58/658) was $201.4 million, an increase of $13 million that was attributable to the proposed conversion of 98 posts from appointments under the 300 series of the Staff Rules to posts under the 100 series and the need to replace 79 vehicles based on age, mileage and condition.

72. Expenditures for the United Nations Observer Mission in Georgia (UNOMIG) had been $28.8 million against an allocation of $31.7 million, for an implementation rate of 91 per cent (A/58/639). The decrease reflected the non-deployment of a third tactical helicopter and the use of surplus stock from liquidating missions for ground transportation. The proposed budget for the Mission (A/58/640) for the period from 1 July 2004 to 30 June 2005 reflected an increase of $1.6 million, which was attributable to the addition of 18 civilian police officers, three new international posts, a new post of human rights officer and the conversion of 20 individual contracts into 20 national posts.

73. The implementation rate for the United Nations Iraq-Kuwait Observation Mission (UNIKOM) (A/58/630) was 84 per cent. Owing to political and military developments, the Mission had been suspended as of 17 March 2004 and its mandate had not been renewed. Expenditures for UNMIK had amounted to $329.9 million (A/58/634) and the proposed budget for the period from 1 July 2004 to 30 June 2005 (A/58/638) was estimated at $272.2 million against an allocation of $315.5 million. The reduction of $43.3 million reflected the downsizing of the Mission, resulting in the phased repatriation of civilian and formed police units, reductions in national and international staff and lowered operational costs.

74. Expenditures for the United Nations Disengagement Observer Force (UNDOF) (A/58/641) had amounted to $38.9 million, an implementation rate of 100 per cent. The proposed budget for the period from 1 July 2004 to 30 June 2005 (A/58/662) would be increased by approximately $900,000 for the recruitment of one new international post, upgrading of the post of Chief Administrative Officer from P-5 to D-1 and conversion of the posts of 14 casual labourers to national posts.

75. An amount of $112 million had been appropriated for the United Nations Interim Force in Lebanon (UNIFIL) (A/58/637) and expenditures had totalled $107.6 million, for an implementation rate of 96 per cent. The lower than expected expenditure could be attributed to delays in the deployment of military personnel, reduced costs for rotation of military personnel, the decision to repair rather than replace generators and lower than anticipated compensation payable for third party claims. The proposed budget for the period from 1 July 2004 to 30 June 2005 (A/58/659) called for an increase of $4.7 million or 5.3 per cent due largely to increased salary costs for international staff and the regularization of 45 contractual staff.

76. Expenditure for UNAMSIL (A/58/660) had been $603 million against an appropriation of $669.4 million, for an implementation rate of 90 per cent. The lower than anticipated expenditure could be attributed to the drawdown of the military contingent, slow deployment of international staff and reduced costs for ground transportation following the change in the Mission mandate. The proposed budget for the period 1 July 2004 to 30 June 2005 (A/58/661) was only $199.8 million as against an appropriation in 2003/04 of $520 million. The decrease of some $320 million was as a result of the downsizing of the Mission and the repatriation of military and police personnel by December 2004. The estimates could be affected, however, by any change in the mandate of the Mission.

77. Expenditures for the United Nations Mission for the Referendum in Western Sahara (MINURSO) (A/58/642) had been $38.4 million, representing an implementation rate of 92 per cent. The lower actual expenditure was attributable to vacancies among military observer staff and the use of staff at a lower than anticipated grade. The proposed budget for the period 1 July 2004 to 30 June 2005 (A/58/657) included an increase of $460,000 due to the increase in costs associated with the change in the configuration of the helicopters deployed and the need to replace communications equipment.

78. **Mr. Nair** (Under-Secretary-General for Internal Oversight Services) introduced the report of OIOS on its investigation into the fraudulent diversion of $4.3 million by a senior staff member of UNMIK (A/58/592). The case had involved monies owed to the State-owned Kosovo Energy Corporation (KEK) for the sale of electricity to EPS, the Serbian State-owned energy company, which had been transferred to the private bank account of Mr. Trutschler, a former staff member of the UNMIK reconstruction pillar, who, at that time, had been Chairman of the Supervisory Board of KEK. In April 2002, the then head of the UNMIK reconstruction pillar had been made aware of the diversion of funds and had immediately informed the European Anti-Fraud Office (OLAF). In early May 2002, OIOS had been apprised of the case through United Nations channels. Mr. Trutschler held a European Union letter of appointment that had been facilitated and financed, to the benefit of UNMIK, by the European Agency for Reconstruction. That was an important consideration, since OIOS had no jurisdiction to investigate European Union staff, even those working under the overall management of UNMIK.

79. OIOS and OLAF investigators had determined the need for collaboration to resolve such issues as whose money had been stolen, which staff member had been responsible for the theft and which national jurisdiction should prosecute the case. OLAF had been assigned responsibility for locating and freezing bank accounts in Gibraltar, while OIOS had conducted the internal UNMIK investigation in support of the eventual judicial inquiry. As a result of the joint investigation, the misappropriated funds had been returned to UNMIK and Mr. Trutschler had been prosecuted, found guilty and imprisoned for 44 months in Germany.

80. The report had also established how Mr. Trutschler had concealed his activities and that he had provided another UNMIK staff member with $200,000, that his employment terms had been unusually generous for his grade, that his claims of significant academic and work experience for someone aged only 33 years, had not been verified, that he had not been supervised closely while in UNMIK and that he had made other fraudulent travel claims while there.

81. The reports of the investigation into Mr. Trutschler's false curriculum vitae and fraudulent travel claims had been passed by OIOS to UNMIK and the European Union for action. Investigation of the transfer of $200,000 was still ongoing, and OLAF and OIOS were working with the Canadian authorities to have the sum returned to UNMIK.

82. The case had demonstrated the value of collaboration and rapid action by investigators, since it had first come to the attention of OIOS in May 2002 and Mr. Trutschler had been sentenced in June 2003. But the case had also demonstrated how easy it was to commit such a crime in a post-conflict environment where so-called emergency management was practised and staff operated with insufficient levels of scrutiny and controls. The investigators had agreed that if the European Agency for Reconstruction, initially, and the UNMIK reconstruction pillar, subsequently, had made even the most basic of background checks, Mr. Trutschler's recruitment would have been unlikely and the whole matter might never have arisen.

83. **Mr. Kuznetsov** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related reports of the Advisory Committee (A/58/759/Add.1-8 and 10-12), said that the reports contained comments on the proposed 2004/05 budget for each peacekeeping operation and, where appropriate, comments on the financial performance reports for 2002/03. The Advisory Committee had noted with satisfaction that, in most cases, more realistic budgeting techniques had improved the implementation rate for the biennium 2002-2003 compared to previous bienniums.

84. In its report on UNMIBH (A/58/759/Add.11), the Advisory Committee recommended that the General Assembly should take note of the report on the final disposition of the assets of the Mission.

85. In its report on UNFICYP (A/58/759/Add.4), the Advisory Committee recommended reducing the proposed budget for the biennium 2004-2005 by a total of $208,300 in connection with the proposal for recruitment of two P-2 civil affairs officers and one local staff member. Revision of the requirement for 2004/05 might be needed in the light of recent developments.

86. In connection with its report on MONUC (A/58/759/Add.10), the Secretary-General would be submitting a note to the General Assembly regarding the additional funds to be assessed for the Mission. In its resolution 58/259, the General Assembly had appropriated $59 million for 2003/04, in addition to the $582 million that had already been appropriated and apportioned, but not assessed, on the understanding that the Committee would review the situation when it examined the estimates for 2004/05. The Advisory Committee was recommending a reduction in the proposed budget of $9,182,400. A 3 per cent reduction for military and police personnel had been proposed because the budget had assumed a six-month rotation period when, in fact, the period was longer than six months.

87. The proposed budget for 2004/05 had requested a significant increase in civilian personnel in connection with electoral activities. The Advisory Committee had supported that request, on the understanding that deployment should be tied to the pace of electoral activities. However, in the case of the Mission's Office of Public Information, it recommended reducing the proposed staff allocation, because a significant increase had been approved for the current period. It recommended that emphasis should be given to information activities in the field. The Advisory Committee took the view that resource requirements for national staff should assume a 10 per cent vacancy rate rather than the 5 per cent proposed by the Secretary-General. The total recommended reduction for civilian personnel was $2,028,300. For official travel, the Advisory Committee recommended a reduction of $279,600 to be applied to the portion of the estimate for official travel which did not relate to voter registration and the electoral process.

88. Further study of a number of issues was needed and the Advisory Committee had requested a cost-benefit analysis on the issue of contractor delivery of rations by air as well as a comprehensive review of the organizational structure of the Mission.

89. In its report on UNMEE (A/58/759/Add.8), the Advisory Committee recommended that the proposed 2004/05 budget for the Mission be reduced by $3,129,200 by deferring the conversion of 98 posts from the 300 series to the 100 series of the Staff Rules and reducing the amount requested for official travel. The Advisory Committee noted the Mission's success in lowering vacancy rates for international civilian personnel, and commended it on its efforts to undertake more training in its own area.

90. In its report on strengthening the security and safety of United Nations operations, staff and premises (A/58/758), the Advisory Committee recommended an additional appropriation of $7 million for 2004/05 in connection with the relocation of the Mission's vulnerable headquarters in Asmara. In view of the security problems facing UNMEE, it had also requested the Mission and the Department of Peacekeeping Operations to analyse the issue of moving the Mission's Addis Ababa headquarters back to the compound of the Economic Commission for Africa.

91. In its report on UNOMIG (A/58/759/Add.1), the Advisory Committee recommended reducing the Mission's proposed budget for 2004/05 by $425,000 to reflect its recommendations on the posts that had been proposed. It regretted the delay in finalizing the report on the April 2003 management review of the staffing requirements and structure of the Mission, which should have been incorporated into the proposals for 2004/05. Further delay would make the results irrelevant, given the new challenges confronting the Mission. The Board of Auditors should follow up the matter and changes in post levels and organizational structure should be postponed pending the results of the review.

92. The Advisory Committee had taken note of the financial performance report of UNIKOM for the period from 1 July 2002 to 30 June 2003 (A/58/759/Add.12).

93. In its report on UNMIK (A/58/759/Add.5), the Advisory Committee recommended reducing the Mission's proposed budget for 2004/05 by the amount of $7,585,600, which had been included in the proposed budget for converting staff contracts from the 300 series to the 100 series of the Staff Rules. Since the Mission was being downsized, the Advisory Committee recommended deferral of that action pending consideration by the General Assembly.

94. The Advisory Committee had also examined the OIOS report on the fraudulent diversion of $4.3 million by a senior staff member of UNMIK (A/58/592), and had enquired what steps had been taken to avoid a recurrence of fraud. It had been told that an inter-agency task force on corruption had been set up, that a joint UNMIK/European Union working group had been established to harmonize recruitment procedures, that UNMIK had used an available vacant post to strengthen its internal audit capacity and that the number of resident auditors would be increased from four to five.

95. In its report on UNDOF (A/58/759/Add.7), the Advisory Committee recommended reducing the proposed budget by a total of $186,400, reflecting its views on the proposal for recruitment of a P-3 security officer and the proposed conversion of 14 outsourced casual labour posts to national posts. The Advisory Committee intended to return to the matter of the security officer post, which was intended to replace a post loaned by the United Nations Truce Supervision Organization (UNTSO), in the context of the phase II comprehensive security plan to be presented to the Assembly at its fifty-ninth session by the Secretary-General. In the meantime, the Advisory Committee had recommended approval of a P-3 Chief of Security post for the Mission in its report on strengthening the security and safety of United Nations operations, staff and premises (A/58/758). The Advisory Committee also expressed its concern at the sharp increase in unbudgeted travel costs, and called for corrective measures to better control such expenditure.

96. In its report on the United Nations Interim Force in Lebanon (UNIFIL) (A/58/759/Add.6), the Advisory Committee recommended reducing the proposed budget by a total of $1,780,900, reflecting its recommendations against the conversion of 45 individual special service agreements into national posts under the 100 series of the Staff Rules and against additional funding to cover claims carried over from previous financial years, which might be seen as prejudging the outcome of the claims negotiation.

97. In its report on UNAMSIL (A/58/759/Add.3), the Advisory Committee recommended reducing the proposed budget by $2,817,600 and deferring the conversion of five posts from the 300 series to the 100 series of the Staff Rules pending consideration by the General Assembly. Moreover, a provision of $1,402,000 for the conversion of 125 posts to the 100 series of the Staff Rules had been erroneously included in the Mission's budget for post adjustment, which did not apply to individuals appointed under the 100 series. The Advisory Committee recommended abolition of the P-5 post in the former Office of the Deputy Special Representative of the Secretary-General for Operations and Management.

98. Given that the Mission continued to experience less than full incumbency for civilian personnel, the Advisory Committee recommended that the cost estimates under the budget line for such personnel should be adjusted accordingly. Although the same was true for military personnel, the information provided in the report of the Secretary-General of 19 March 2004 (S/2004/228) had convinced the Advisory Committee not to pursue its recommendation to reduce the estimate for such personnel by 3 per cent. Any additional requirements resulting from the Security Council decision on the Mission which exceeded the 2004/05 budget should be presented as revised estimates to be submitted to the General Assembly during the main part of its fifty-ninth session.

99. In its report on the United Nations Mission for the Referendum in Western Sahara (MINURSO) (A/58/759/Add.2), the Advisory Committee recommended reducing the Mission's proposed budget by $130,000 under official travel. It noted that, among other things, a training centre had been established at the Mission, which should reduce the requirement for training-related travel.

100. **Ms. Stanley** (Ireland), speaking on behalf of the European Union, the associated countries (Bulgaria, Romania and Turkey), the stabilization and association process countries (Albania, Bosnia and Herzegovina, Croatia, Serbia and Montenegro and the Former Yugoslav Republic of Macedonia), and, in addition, Iceland and Liechtenstein, said that the European Union contributed large numbers of troops, civilian police and other personnel to peacekeeping operations under United Nations mandates throughout the world.

101. The European Security Strategy, adopted by the European Council in December 2003, signalled the Union's movement towards a more strategic approach in its external action, including an enhanced ability to respond to United Nations requests in short-term crisis-management situations. In establishing the European Union Peace Facility for Africa, the Union was responding to requests from the African Union and strengthening the efforts of Union members to support African peacekeeping capacities.

102. The European Union remained committed to peacekeeping, a core task of the United Nations, and to maintaining careful scrutiny of peacekeeping budget management. As the largest collective financial contributor to the peacekeeping budget, the European Union would examine the budgets of all missions and their support functions to make sure they were provided with adequate financing. The Secretariat should provide detailed information on the budgets of all forthcoming missions to facilitate speedy and informed decision-making.

103. While it welcomed the comprehensive reports containing overviews of the financing of peacekeeping missions, the European Union was disappointed that a number of important reports on cross-cutting issues, such as training, information technology and recruitment, would not be available to facilitate the Committee's analysis of peacekeeping activities. The Advisory Committee and the Bureau of the Fifth Committee should expedite consideration of those reports at the current part of the resumed session.

104. On the subject of recruitment, the European Union wished to discuss with the Department of Peacekeeping Operations external candidature procedures, particularly the selection of internal versus external candidates. It concurred with the Advisory Committee that the vital issue of average recruitment time must be addressed.

105. The European Union welcomed the evolving results-based format of the proposed budgets for peacekeeping operations and endorsed the recommendations of the Board of Auditors and the Advisory Committee, particularly on the need to enhance the capability of existing financial systems to support results-based budgeting and for clear drafting of expected accomplishments, indicators of achievement and planned outputs to facilitate objective measurement of progress.

106. It agreed with the Advisory Committee that the Secretariat should develop a coherent, comprehensive and cost-effective outsourcing policy, rather than issuing many individual special service contracts or trying to convert those contracts into actual posts. It was concerned that adequate information had not been provided on the important issue of the conversion of the contracts of staff employed in peacekeeping missions from the 300 series to the 100 series of the Staff Rules. More comprehensive information on the matter should be provided during informal consultations.

107. Peacekeeping missions were becoming more complex and multi-functional and the Secretariat must therefore coordinate and develop early mission

planning to promote efficiency and effectiveness. Information on the interaction between the Department of Peacekeeping Operations and the Department of Public Information and on the staffing of public information functions in the various missions would be particularly welcome.

108. The Union was aware that the Security Council was due to review the mandates of several peacekeeping missions and it was prepared to review the level of its funding. The Advisory Committee had proposed peacekeeping budget cuts sparingly, but expected further savings. The European Union supported that approach, and urged the management of missions to exercise their responsibilities accordingly, particularly in connection with rising expenditure on travel and training.

109. The Union noted the Advisory Committee's recommendation for a modest number of new posts to be added to the peacekeeping support account at a time of unprecedented increases in new missions. It welcomed the assurance that the Advisory Committee had considered the need for capacity to absorb new and expanding missions and to provide for a rapid deployment capability. The support account must be responsive to the level of activity in the field even if there was no rigid mathematical ratio between the two. The Union noted that the Peacekeeping Best Practices Unit had reached full strength, which should allow the limit to move rapidly towards its expected accomplishment of increased efficiency and effectiveness in conducting, managing, directing and supporting peacekeeping activities.

110. In 2003, the Fifth Committee had urged that all posts remaining vacant or unfilled for 12 months from the date of their establishment would require rejustification in subsequent budget submissions. The European Union was disappointed with the Secretariat's interpretation of that request and hoped that the guidance of the Advisory Committee would be followed when the Secretary-General reported to the Assembly at its fifty-ninth session on the implementation of its decision.

111. Turning to the report of the Board of Auditors, the European Union welcomed the view of the auditors that the financial position of peacekeeping operations had remained relatively stable, despite the level of outstanding contributions. It was pleased to note that the Board of Auditors was ensuring advantageous use of audit resources by coordinating its work programme with that of other oversight bodies. It, however, shared the concern of the Board of Auditors and the Advisory Committee that use of the new funds monitoring tool and the new policy on allotments for peacekeeping missions was not as smooth or flexible as had been hoped, but looked forward to its effective utilization after the additional training and enhancements described by the Secretariat had been implemented.

112. The Union concurred with the Advisory Committee's observations and recommendations regarding the United Nations Logistics Base at Brindisi and welcomed its suggestion that the role of the Steering Group on Strategic Deployment Stocks and its Finance Working Group should be significantly enhanced to make it an effective and efficient tool for a coordinated approach to stocks. It also looked forward to hearing from the Office of Mission Support on its efforts to refine and further develop policies for the management of stocks.

113. The Union would consider the proposal to transfer $11.047 million from the Peacekeeping Reserve Fund to the support account in the light of discussions on new missions. It also wished to reiterate that Member States must ensure that sufficient funds were available for all peacekeeping missions by making their payments in full and on time.

The meeting rose at 12.30 p.m.